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The CNB flips the nuclear switch



There's an elephant in the room that no one wants to talk about. The Czech National Bank took a very similar step last week to what is commonly referred to as "quantitative easing." The U.S., England, Japan and other countries have kept interest rates low and devalued their currencies by printing huge amounts of money to buy bonds. The CNB is now doing it by printing crowns to buy euros, to similar effect. Vice Gov. Mojmír Hampl told [Týden](#) in June 2011 that a central bank only "flips the nuclear switch" and undertakes quantitative easing when the situation is especially critical. He told Bloomberg in March 2013 that if the CNB engaged in currency intervention, it would only be for meeting its goal of price stability, not for making life easier for exporters. Now, though, the CNB cites export growth as a main reason for printing more crowns. The CNB has flipped the nuclear switch but doesn't want to admit it.

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